

KENTUCKY

TEACHERS' RETIREMENT SYSTEM

ACTIVE MEMBER
EDITION



July/August
2010

Retiree Health Care is Secure with Shared Responsibility

House Bill 540 to Take Effect July 1, 2010

As reported in the last KTRS Newsletter, HB 540 with its long-term solution to funding retiree health care passed out of both chambers of the General Assembly without a single dissenting vote and was signed into law by the Governor on April 13th. This historic legislation was the culmination of months of work by the education community. HB 540 provides a shared responsibility approach to funding retiree health care and ends the unsustainable practice of paying for medical insurance costs by borrowing from contributions that should go to fund retirees' pensions. HB 540 will also start moving retiree health insurance toward a pre-funded plan. For retired members, and active members who want to someday retire, this is the best guarantee they can have to ensure that medical insurance will be there for them in their retirement years.

Effective July 1, 2010, active members will begin a six-year phase-in to an additional contribution to the medical insurance fund. For a typical active member, the average net amount that will be deducted from

this or her monthly paycheck will be approximately \$8 in the first year. Local school districts and other employers will match the amount paid by each member they employ. Retirees under the age of 65 will begin a three-year phase-in to an additional contribution that will in the third year equal the Standard Part B premium that is paid by retirees age 65 and over. In the first six months, this payment will equal \$37 per month and may increase slightly in January of 2011 if Medicare increases the Part B premium cost. Effective July 1, the Commonwealth of Kentucky will begin paying the cost of medical insurance for new retirees under the age of 65, minus what these retirees are otherwise required to pay. We can all be thankful for the good work of the education community, the General Assembly and the Governor for the passage of this vitally important piece of legislation and the retirement security that it will provide to all active and retired members.

KTRS Board of Trustees Chair & Vice Chair Elected



BARBARA G. STERRETT, of Lexington, was re-elected chair of the Board of Trustees for the 2010-2011

fiscal year at the Board of Trustees meeting held June 21, 2010. Mrs. Sterrett represented active members on the Board from 1990 until her retirement in 2003. In May 2005, she was elected to represent retired members. She served as the Board's vice-chair in 2007 and has served as chair since 2008.



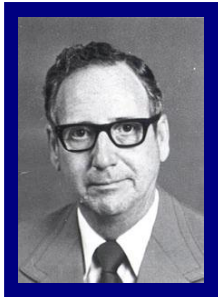
DR. JOSEPH A. (JAY) MORGAN, of Murray, was re-elected vice-chair for the 2010-2011

fiscal year at the Board of Trustees meeting held June 21, 2010. Dr. Morgan has represented active members on the Board since July 2006 and has served as vice-chair since 2008.

Members Elect Trustees to KTRS Board

The election for the positions on the KTRS Board of Trustees due to expiring terms for the lay trustee and the active trustee positions was conducted during May 2010. Dr. Terry Holliday, Chief State School Officer, certified the results of the election to the KTRS Board of Trustees.

ROBERT M. CONLEY of Paintsville, the **incumbent**, was re-elected to a four-year term as lay trustee. Mr. Conley served as lay member on the Kentucky Teachers' Retirement System (KTRS) Board of Trustees from September 1988 until June 2003, and was appointed to the Board again in March 2004. During his tenure on the Board of Trustees, Mr. Conley served as vice chair of the Board's Investment Committee from 1991 until



August 2006 when he was named chair.

Mr. Conley, a lifelong resident of Paintsville, taught in the Paintsville City Schools for two years, and began a career in banking in 1948 with the First National Bank of Paintsville, rising from bank teller to executive vice president and chief executive officer when he retired in 1980. After retiring from banking, Mr. Conley served as finance officer for Johnson County, as well as finance officer and budget director for the City of Paintsville.

Mr. Conley has been very active in civic and community affairs, and served as a member of the Paintsville Independent School Board for twelve years, including a four-year term as chairman. He also served on the Board of Advisors at Prestonsburg Community College for more than 25 years.

Mr. Conley's current term of office began July 1, 2010 and will end June 30, 2014.

LAURA A. ZIMMERMAN of Lexington, the **incumbent**, was re-elected to a four-year term to represent active members. Ms. Zimmerman has served as an active member trustee on the Kentucky Teachers' Retirement System (KTRS) Board of Trustees since September 2003.



Ms. Zimmerman is a graduate of Eastern Kentucky University with a B.S. in Community Health Education, a B.S. Area of Concentration Science, and a Masters Degree in Biology Education. Ms. Zimmerman is currently a teacher in Fayette County Public Schools' Family Care Center, and is a recipient of the University of Kentucky's Teachers Who Made A Difference Award.

In addition to serving on a number of Fayette County Public Schools' committees, Ms. Zimmerman is also active in the Kentucky Education Association, the National Education Association and the Fayette County Education Association, where she has served on the Board of Directors. She has also served as chair of the Fayette County Education Association-sponsored Hugh O'Brien Leadership Program and participated as a liaison for students in the teacher education program. For more than ten years, Ms. Zimmerman served on the Fayette County Public Schools' Benefits Committee where benefit improvements were identified, specifications developed and proposals reviewed for making recommendations of companies that could provide benefits.

Ms. Zimmerman's current term of office began July 1, 2010 and will end June 30, 2014.

Questions??

**Call one of our
INFORMATION SPECIALISTS**

Toll Free at 1-800-618-1687

**Monday thru Friday
from 8:00 - 5:00pm**

Minimum Distribution Requirements

Regardless of whether you are vested with at least five (5) years of service or not, if you are no longer working for a participating KTRS employer, federal tax law requires you to take action soon after you reach age 70½ to withdraw the contributions that have been deposited in your retirement account. If you are vested with at least five (5) years of service, you are required to withdraw your contributions by filing a retirement application to start receiving your retirement allowance. If you are not vested with at least five (5) years of service, you are required to file an application for a refund of your account. Failure to take action to timely withdraw the contributions that have been deposited in your retirement account may result in federal tax penalties.

If you are age 70 ½ or over and no longer contributing to the retirement system, please contact KTRS immediately for the appropriate forms to apply for retirement or a refund to avoid substantial and recurring federal tax penalties. Federal tax law also requires the beneficiary of an active or retired member to begin receiving benefits or take a refund soon after the member's death.

Beneficiaries should contact the retirement office soon after the member's death to begin receiving benefits or take a refund in order to avoid any applicable penalties.

KTRS Retiree Analysis

As of December 31, 2009, KTRS had 4,916 service retirees who were at least 80 years old and more than 35 who were 100 years old and over! The KTRS Defined Benefit Group Retirement Plan provides retirement security that lasts a lifetime.

Retiree AGE

| | |
|---------------------------|--------------|
| Age 100 years old or more | 38 |
| Age 95-99 years old | 278 |
| Age 90-94 years old | 710 |
| Age 80-89 years | 3,890 |
| TOTAL RETIREES | 4,916 |

How Would a Career Planning Workshop or Pre-Retirement Seminar Benefit Me?

Throughout the year, KTRS offers **Career Planning Workshops** to teachers, university faculty, school administrators and others. Members who desire to learn about their KTRS retirement account or how the System operates will benefit from attending one of these sessions. Also available are **Pre-Retirement Seminars** for those within one to five years of retirement, who would like to know how to maximize their KTRS pension, learn the retirement process, and get all their questions answered. These workshops and seminars are packed with information that will help each person move smoothly from one phase of life into the next. We should all prepare for a fresh new journey earned by our previous labor.

Career Planning Workshops

Registration 9:00am

~ SUMMER TIME SCHEDULE ~

Workshop 9:15am – Noon (Local Time)

July 23, 2010

General Butler SRP
Carrollton, KY

July 27, 2010

Lake Barkley SRP
Cadiz, KY

UPCOMING FALL

CAREER PLANNING WORKSHOPS

FALL Seminar TIME CHANGE:

5:00 - 7:00pm

September 9, 2010 @ Dale Hollow SRP

October 4, 2010 @ Lake Cumberland SRP

October 5, 2010 @ Carter Caves SRP

October 19 @ Pine Mountain SRP

November 9, 2010 @ John James Audubon SRP

Pre-Retirement Seminars

Registration 8:30 A.M.

SEMINAR

9:00am – Noon (Local Time)

September 11, 2010

Southern High School
8620 Preston Highway
Louisville, KY

October 23, 2010

Jenny Wiley SRP
75 Theatre Court
Prestonsburg, KY

September 25, 2010

Drawbridge Inn
2477 Royal Drive
Fort Mitchell, KY

November 20, 2010

The Campbell House
1375 South
Broadway
Lexington, KY

Please visit www.ktrs.ky.gov for **ALL** workshop & seminar **REGISTRATION** along with address information. Additional workshops/seminars may be added.

Deadlines for the Purchase of Service Credit

FY 2009-10 Unpaid Contract Days *

Contact KTRS about
eligibility to obtain full
service and/or salary credit.

*DEADLINE for
purchase is
December 31, 2010*

FY 2009-10 Leaves of Absence *

Contact KTRS about
recovering this credit.

*DEADLINE for
purchase is
June 30, 2011*

** Appropriate forms can be obtained at www.ktrs.ky.gov
and must be completed by your employer.*

No Shares of BP Were in the KTRS Portfolio

On April 20th of this year, the Deepwater Horizon rig exploded in the Gulf of Mexico killing 11 people and injuring 17 others. This was the start of what has become the largest offshore oil spill in U.S. history, and it is ongoing. In addition to the unprecedented environmental disaster, the stock of BP has lost 50% of its value since this disaster. There are many reports in the news media of the negative impact this decline in stock value has had on retirees through losses to their pension plans and 401(k) plans. Although KTRS has owned shares of BP in the past, the last shares were sold in 2008, and fortunately, KTRS owned no shares of BP when the disaster occurred. The Board and staff of KTRS wish to express their sympathy to the families and friends of those killed or injured in this disaster, along with those that are deeply impacted by either the environmental disaster, and/or have suffered economic loss as the result of this tragedy.

KTRS Member Retires after 68 Years of Teaching

Ms. Ilene Croley, 88, retired July 01, 2010, after teaching **68 years**. As KTRS is in its 72nd year of existence, Ms. Croley has been teaching 68 out of those 72 years--an incredible achievement.

Ms. Croley began her teaching career in a one-room school in Benham, in far Eastern Kentucky. In 1960 she arrived at the Cochran Elementary School in Jefferson County and continued teaching there until her recent retirement.

Please join KTRS staff in wishing Ms. Croley the best in her retirement. ***Information for this article was taken from the June, 01, 2010 Courier-Journal.*